OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

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USTR Initiates Environmental Review of WTO Negotiations on Agriculture and Services

The Office of the United States Trade Representative announced today that it is initiating an environmental review of the negotiations on agriculture and services currently underway in the World Trade Organization. The review will be conducted by an interagency team of experts pursuant to Executive Order 13141 (Environmental Review of Trade Agreements) and implementing guidelines issued last year. USTR is requesting public comment on the scope of the review and the best time to conduct the analysis.

"The WTO agriculture and services negotiations are vital to U.S. interests. It is critical that we understand the range of environmental implications as we go forward," said U.S. Trade Representative Charlene Barshefsky. "An environmental review will help trade negotiators craft an agreement that is both good for trade and good for the environment."

USTR's notice that it is initiating the review and request for public comment were sent to the *Federal Register* today and are being posted on the USTR Web site, www.ustr.gov.

Background

Executive Order 13141, issued in 1999, institutionalizes the use of environmental reviews as policy tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses where effects are identified. USTR and the Council on Environmental Quality issued guidelines last month to implement the Executive Order. While USTR is the lead in conducting the review, agencies with relevant expertise, including the U.S. Departments of Agriculture, Commerce, and Interior, and the U.S. Environmental Protection Agency and the International Trade Commission, will provide the bulk of the analysis.

The United States has previously conducted environmental reviews of several major trade agreements,

including the North American Free Trade Agreement in 1992 and 1993, the Uruguay Round Agreements in 1994, and the Accelerated Tariff Liberalization initiative in forest products in 1999. Pursuant to the Executive Order and guidelines, USTR is finalizing the review of the Jordan Free Trade Agreement concluded in October, and is also conducting environmental reviews of the Free Trade Area of the Americas and the Singapore and Chile free trade agreements currently under negotiation.

The WTO Agreement on Agriculture and the General Agreement on Trade in Services (GATS) call for WTO members to undertake further negotiations to liberalize trade in agriculture and services, respectively. The agriculture and services negotiations are currently underway.

In June 2000, the United States submitted a proposal for long-term, comprehensive agricultural reform in the WTO. The proposal calls for substantial reductions or elimination of tariffs, expansion of remaining tariff-rate quotas, elimination of export subsidies, disciplines on the use of export restrictions on agricultural products, simplification of rules applying to domestic support, and establishment of a ceiling on trade-distorting support that applies equally to all countries.

In July 2000, the United States submitted a comprehensive proposal concerning the conduct of the services negotiations and presented 12 detailed negotiating proposals in December 2000, addressing 11 services sectors (accountancy services; audiovisual and related services; distribution services; education and training services; energy services; environmental services; express delivery services; financial services; legal services; telecommunications, value-added network, and complementary services; and tourism services) and one GATS "mode of supply" (movement of natural persons). The U.S. proposals seek to remove market access, national treatment, and other restrictions affecting services and services suppliers in these and other areas, while maintaining the ability to regulate in the public interest.